

October 30, 2015

Members of the Board of Trustees
Atlanta Ballet, Inc.
Atlanta, Georgia

Members of the Board of Trustees:

We have audited the financial statements of Atlanta Ballet, Inc. (the "Organization") for the year ended July 31, 2015, and have issued our report thereon dated as of the date of this letter.

Our professional standards require that we communicate with you concerning certain matters that may be of interest to you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Organization is responsible. We have prepared the following comments to assist you in fulfilling that obligation.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

As communicated in our engagement letter dated July 1, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility under auditing standards generally accepted in the United States of America require, among other things, that we obtain an understanding of the Organization's internal controls to enable us to properly plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. We noted no matters involving the Organization's internal control and its operations that we consider to be a material weakness.

Planned Scope and Timing of the Audit

Discussions were held with the Organization's management and oversight governance regarding the planned scope and timing of the audit, the intention of which was to assist those charged with governance in understanding better the consequences of our audit work on your oversight responsibilities along with assisting us in understanding better the Organization and its environment. The focus of this discussion included how the risks of material misstatement, whether due to error or fraud, would be addressed and on factors, rather than specific thresholds or amounts, that would impact materiality used in our planning and execution of the audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. There were no new accounting policies adopted during 2015. We did not note any transactions entered into by the Organization that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. Significant accounting estimates reflected in the Organization's financial statements include:

- Valuation allowance for uncollectible receivables
- Discount of unconditional promises to give
- Fair value of investments
- Useful lives of property and equipment
- Allocation of functional expenses

The basis for our conclusions as to the reasonableness of these estimates when considered in the context of the financial statements taken as a whole, as expressed in our independent auditors' report, is either our development of an independent expectation of the estimates to corroborate management's estimates or our review and tests of the process used by management to develop the estimates.

Audit Adjustments

Our audit was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatements, whether by error or fraud. In addition, we are obligated by auditing standards generally accepted in the United States of America to inform you of any adjustments arising from the audit that could, in our judgment, either individually or the aggregate, have a significant effect on the Organization's financial reporting process. No such adjustments were proposed during our audit.

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted one entry related to unconditional promises to give that management has determined is immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the independent auditors' report. We have had no such disagreements during the course of our audit.

Consultation with Other Accountants

We are not aware of any consultation that management may have had with other accountants about auditing and accounting matters during 2015.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention of the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

In our judgment, we received the full cooperation of the Organization's senior management and their staff and had unrestricted access to the Organization's senior management in the performance of our audit.

Management Advisory Services

The Organization did not engage us to perform any management advisory services during 2015.

This report is intended solely for the information and use of the Board of Trustees, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to discuss this report with you further at your convenience.

Sincerely,



Smith & Howard